

News

United States
Department
of Labor



Bureau of Labor Statistics

Philadelphia, Pa. 19106

Internet address: www.bls.gov/ro3/

INFORMATION: Gerald Perrins
(215) 597-3282

MEDIA CONTACT: Sheila Watkins
(215) 861-5600

PLS – 4299

FOR RELEASE:

WEDNESDAY, MAY 2, 2007

EMPLOYMENT COST INDEX FOR THE REGIONS – MARCH 2007

Total compensation costs for private industry workers rose 3.6 percent in the West for the year ended March 2007, according to the Bureau of Labor Statistics of the U.S. Department of Labor. The South recorded an increase of 3.3 percent during the same period and the Northeast and the Midwest had advances of 3.1 percent and 2.6 percent, respectively. (See charts A and B.) Regional Commissioner Sheila Watkins noted that the South and West Regions experienced larger annual gains in the latest 12-month period compared to their year-ago increases, while rate gains slowed in the Midwest and Northeast. (See Technical Note for regional definitions.)

The Employment Cost Index (ECI), a component of the National Compensation Survey, measures quarterly changes in compensation costs, which include wages, salaries, and employer costs for employee benefits. In addition to regional estimates, ECI data for nine geographical divisions are available. In the divisions, growth rates for total compensation costs ranged from 4.2 percent in the Mountain to 2.5 percent in the East North Central. (See table 1.) The rate of gain in the ECI for wages and salaries, a component of the total index that excludes benefit costs, ranged from 4.7 percent in the Mountain to 2.9 percent in New England. Nationally, total compensation costs rose 3.2 percent during the last year, compared with the 2.6-percent gain registered in March 2006. (See tables 2 and 3.)

Chart A. Percent change in the ECI for private industry workers, total compensation versus wages and salaries, U.S. and regions, March 2006-2007

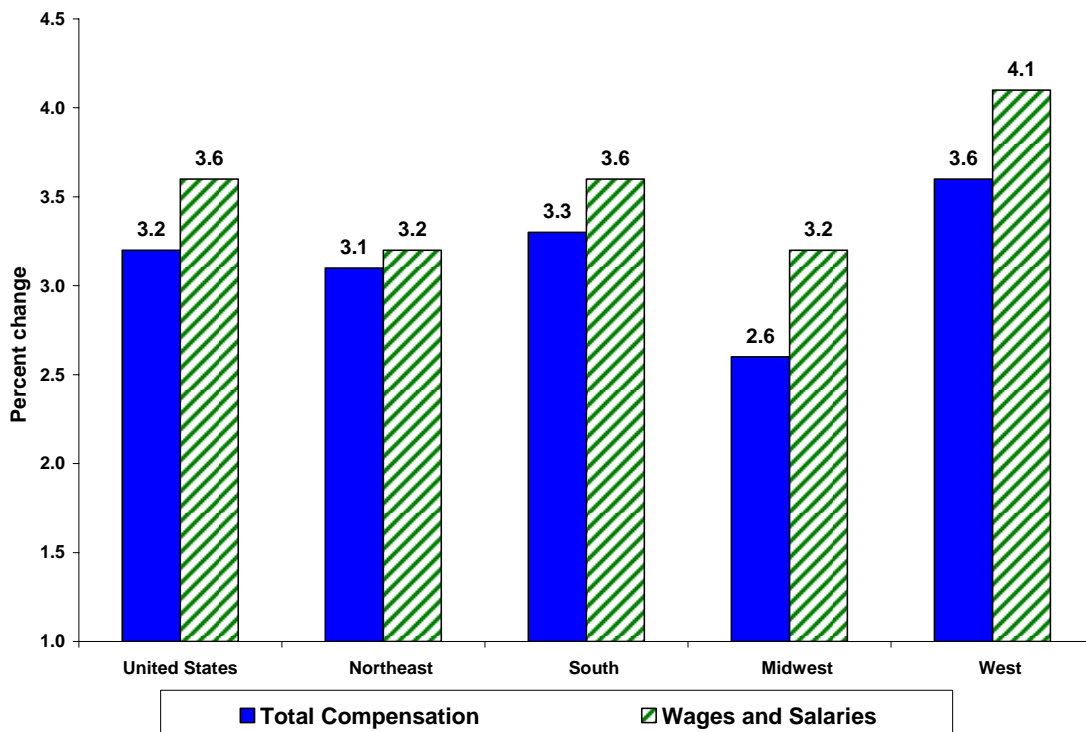
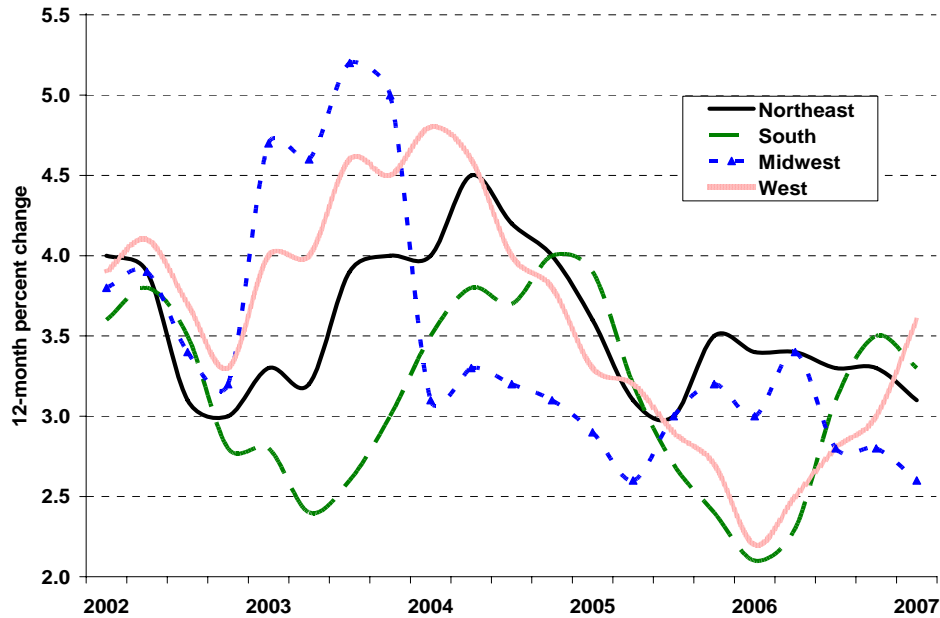


Chart B. Over-the-year percent change in the ECI for total compensation in the regions, private industry workers, 2002-2007



The annual change in the ECI for wages and salaries ranged from 4.1 percent in the West to 3.2 percent in the Northeast and the Midwest for the year ended March 2007. Wages and salaries rose 3.6 percent in the South for the same period. (See chart C.) Compared to a year ago, annual wage and salary gains were higher in all regions. (See table 3.)

Total compensation costs in the West rose 3.6 percent for the year ended March 2007, higher than the 2.2-percent advance during the year ended March 2006. The wage and salary ECI in the West also posted a larger over-the-year gain in March 2007 (4.1 percent) than it did a year ago (2.3 percent). Retail prices in the West, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 3.4 percent during the year ended March 2007.

The ECI for total compensation in the South rose 3.3 percent in the year ended March 2007, up from the 2.1-percent increase recorded in March 2006. Similarly, wages and salaries in the South increased 3.6 percent for the year ended March 2007, well above the year-ago gain of 2.1 percent. Retail prices in the South increased 2.6 percent during the year ended March 2007.

For the year ended March 2007, total compensation costs in the Northeast increased 3.1 percent, compared to 3.4 percent for the year ended March 2006. The ECI for wages and salaries in the Northeast advanced 3.2 percent during the year ended March 2007 and 3.1 percent a year ago. Retail prices in the Northeast rose 2.6 percent over the year.

In the Midwest, total compensation costs advanced 2.6 percent during the year ended March 2007, slowing from an over-the-year increase of 3.0 percent in March 2006. However, the ECI for wages and salaries in the Midwest rose faster in the latest year, 3.2 percent, compared to the 2.7-percent over-the-year increase posted last March. Retail prices in the Midwest increased 2.3 percent during the last year.

For the United States as a whole, private industry compensation costs rose 3.2 percent for the year ended March 2007, compared with an over-the-year increase of 2.6 percent for March 2006. During the latest period, wages and salaries advanced 3.6 percent nationwide, up from a year-ago gain of 2.4 percent. (See chart D.) The national CPI-U rose 2.8 percent over the last 12 months.

Chart C. Over-the-year percent change in the ECI for wages and salaries in the regions, private industry workers, 2002-2007

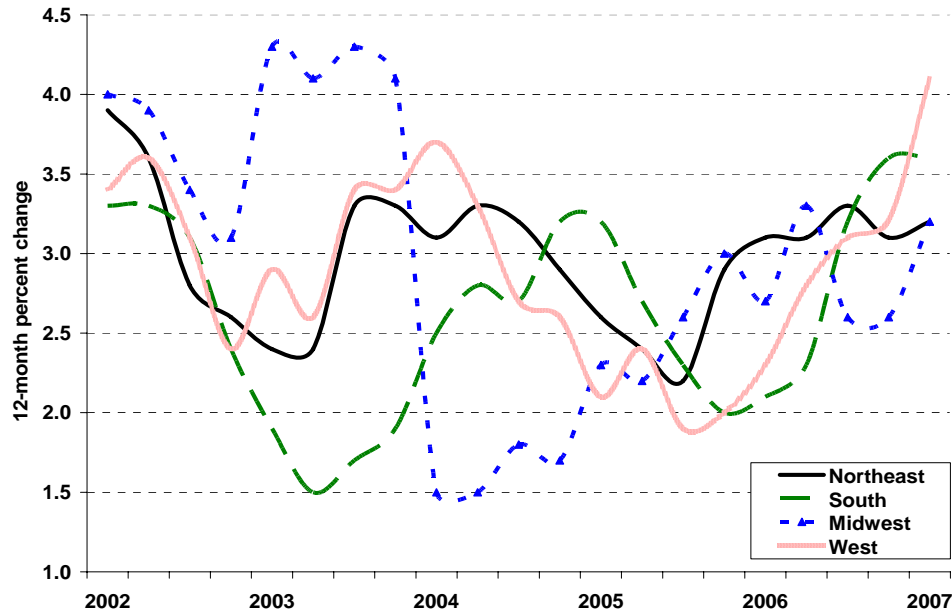
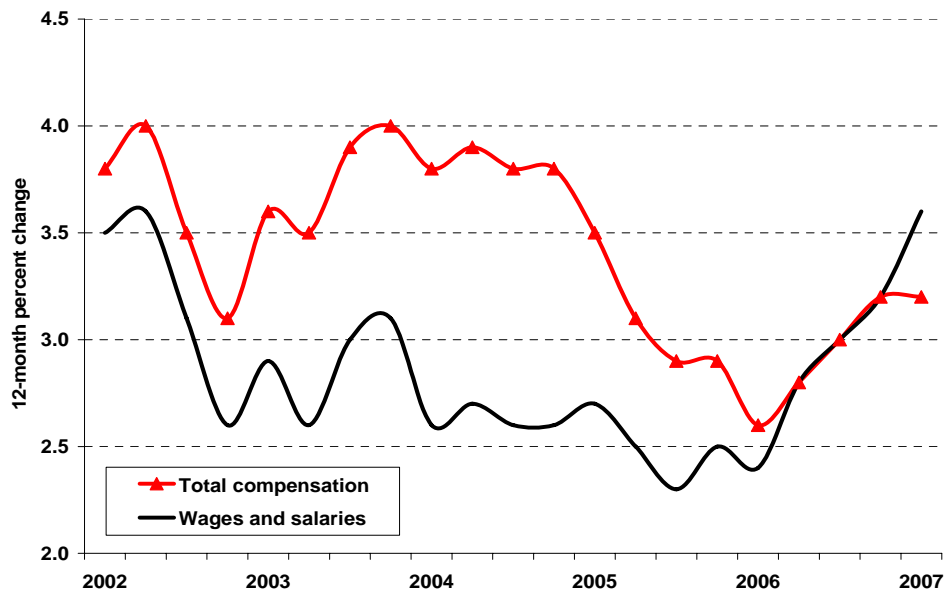


Chart D. Over-the-year percent change in the ECI for private industry workers, total compensation versus wages and salaries, United States, 2002-2007



Further information:

In addition to the geographical data, a comprehensive national report is available that provides data by industry, occupational group, union status, and all metropolitan and non-metropolitan areas combined. This report also presents data for both private and state and local government employees. The report on the Employment Cost Index and further technical information may be obtained from the U.S. Bureau of Labor Statistics, Mid Atlantic Information Office by calling (215) 597-3282. The release is available on the Internet at <http://www.bls.gov/ncs/ect/>. Current and historical information from other Bureau programs may be accessed via our regional homepage at <http://www.bls.gov/ro3/>. The ECI for June 2007 is scheduled to be released Tuesday, July 31, 2007 at 8:30 a.m. (EST). Information from the Employment Cost Index program is available to sensory impaired individuals upon request. Voice phone: 202-691-5200, Federal Relay Services: 1-800-877-8339.

TECHNICAL NOTE

The Employment Cost Index (ECI) is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee benefits.

Wages and salaries are defined as the hourly straight-time wage rate or, for workers not paid on an hourly basis, straight-time earnings divided by the corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime and for work on weekends and holidays, shift differentials, and nonproduction bonuses such as lump-sum payments provided in lieu of wage increases. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time wage and salary rates.

Beginning with the release of the March 2006 data, indexes were rebased to December 2005 = 100 from June 1989 = 100. The percentage changes shown in the historical tables were calculated from the rebased indexes. Thus, changes may differ from those originally published because of rounding. More information on rebasing is included in the article, "Changes affecting the Employment Cost Index" in the April 2006 issue of the *Monthly Labor Review*.

Seasonally adjusted data for 2002-2006 were revised with the March 2007 estimates to reflect updated seasonal factors. The new seasonal factors and historical listings containing revised seasonally adjusted indexes are available on the Internet site <http://www.bls.gov/ncs/ect/home.htm>.

Regional and divisional definitions:

Northeast Region: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

New England Division: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

Middle Atlantic Division: New Jersey, New York, and Pennsylvania.

South Region: Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

South Atlantic Division: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia.

East South Central Division: Alabama, Kentucky, Mississippi, and Tennessee.

West South Central Division: Arkansas, Louisiana, Oklahoma, and Texas.

Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

East North Central Division: Indiana, Illinois, Michigan, Ohio, and Wisconsin.

West North Central Division: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Mountain Division: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming.

Pacific Division: Alaska, California, Hawaii, Oregon, and Washington.

Table 1. Employment Cost Index for total compensation and for wages and salaries, private industry workers, United States and geographical regions and divisions, 2006-2007, not seasonally adjusted

Area	Total compensation					Wages and salaries				
	Index (December 2005 = 100)			Percent change from		Index (December 2005 = 100)			Percent change from	
	March 2006	December 2006	March 2007	December 2006	March 2006	March 2006	December 2006	March 2007	December 2006	March 2006
United States	100.8	103.2	104.0	0.8	3.2	100.7	103.2	104.3	1.1	3.6
Northeast	100.9	103.3	104.0	0.7	3.1	100.8	103.1	104.0	0.9	3.2
New England	100.7	103.1	103.6	0.5	2.9	100.7	103.1	103.6	0.5	2.9
Middle Atlantic	100.9	103.3	104.2	0.9	3.3	100.8	103.1	104.2	1.1	3.4
South	101.0	103.5	104.3	0.8	3.3	101.0	103.6	104.6	1.0	3.6
South Atlantic	101.2	103.8	104.9	1.1	3.7	101.3	103.9	105.0	1.1	3.7
East South Central	100.7	102.3	103.3	1.0	2.6	100.7	103.1	104.2	1.1	3.5
West South Central	100.7	103.4	103.7	0.3	3.0	100.6	103.4	104.1	0.7	3.5
Midwest	100.7	102.8	103.3	0.5	2.6	100.4	102.6	103.6	1.0	3.2
East North Central	100.7	102.8	103.2	0.4	2.5	100.3	102.5	103.6	1.1	3.3
West North Central	100.6	102.7	103.5	0.8	2.9	100.6	102.7	103.8	1.1	3.2
West	100.6	103.0	104.2	1.2	3.6	100.7	103.2	104.8	1.6	4.1
Mountain	101.0	103.1	105.2	2.0	4.2	100.6	103.2	105.3	2.0	4.7
Pacific	100.5	103.0	103.9	0.9	3.4	100.8	103.3	104.6	1.3	3.8

Table 2. Employment Cost Index for total compensation¹, private industry workers, United States and geographical regions, 2002-2007, not seasonally adjusted

Period	Index (December 2005=100)					3-month percent change					12-month percent change				
	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West
2002															
Mar.	88.2	87.7	89.5	88.0	87.4	1.0	1.2	0.9	1.5	0.6	3.8	4.0	3.6	3.8	3.9
Jun.	89.2	88.6	90.5	88.7	88.5	1.1	1.0	1.1	0.8	1.3	4.0	3.9	3.8	3.9	4.1
Sep.	89.7	88.9	91.2	89.0	89.1	0.6	0.3	0.8	0.3	0.7	3.5	3.1	3.5	3.4	3.7
Dec.	90.0	89.3	91.2	89.5	89.8	0.3	0.4	0.0	0.6	0.8	3.1	3.0	2.8	3.2	3.3
2003															
Mar.	91.4	90.6	92.0	92.1	90.9	1.6	1.5	0.9	2.9	1.2	3.6	3.3	2.8	4.7	4.0
Jun.	92.3	91.4	92.7	92.8	92.0	1.0	0.9	0.8	0.8	1.2	3.5	3.2	2.4	4.6	4.0
Sep.	93.2	92.4	93.6	93.6	93.2	1.0	1.1	1.0	0.9	1.3	3.9	3.9	2.6	5.2	4.6
Dec.	93.6	92.9	93.9	94.0	93.8	0.4	0.5	0.3	0.4	0.6	4.0	4.0	3.0	5.0	4.5
2004															
Mar.	94.9	94.2	95.2	95.0	95.3	1.4	1.4	1.4	1.1	1.6	3.8	4.0	3.5	3.1	4.8
Jun.	95.9	95.5	96.2	95.9	96.2	1.1	1.4	1.1	0.9	0.9	3.9	4.5	3.8	3.3	4.6
Sep.	96.7	96.3	97.1	96.6	96.9	0.8	0.8	0.9	0.7	0.7	3.8	4.2	3.7	3.2	4.0
Dec.	97.2	96.6	97.7	96.9	97.4	0.5	0.3	0.6	0.3	0.5	3.8	4.0	4.0	3.1	3.8
2005															
Mar.	98.2	97.6	98.9	97.8	98.4	1.0	1.0	1.2	0.9	1.0	3.5	3.6	3.9	2.9	3.3
Jun.	98.9	98.5	99.3	98.4	99.3	0.7	0.9	0.4	0.6	0.9	3.1	3.1	3.2	2.6	3.2
Sep.	99.5	99.2	99.7	99.5	99.7	0.6	0.7	0.4	1.1	0.4	2.9	3.0	2.7	3.0	2.9
Dec.	100.0	100.0	100.0	100.0	100.0	0.5	0.8	0.3	0.5	0.3	2.9	3.5	2.4	3.2	2.7
2006															
Mar.	100.8	100.9	101.0	100.7	100.6	0.8	0.9	1.0	0.7	0.6	2.6	3.4	2.1	3.0	2.2
Jun.	101.7	101.8	101.6	101.7	101.8	0.9	0.9	0.6	1.0	1.2	2.8	3.4	2.3	3.4	2.5
Sep.	102.5	102.5	102.8	102.3	102.5	0.8	0.7	1.2	0.6	0.7	3.0	3.3	3.1	2.8	2.8
Dec.	103.2	103.3	103.5	102.8	103.0	0.7	0.8	0.7	0.5	0.5	3.2	3.3	3.5	2.8	3.0
2007															
Mar.	104.0	104.0	104.3	103.3	104.2	0.8	0.7	0.8	0.5	1.2	3.2	3.1	3.3	2.6	3.6

¹ The index measures change in total compensation costs: wages, salaries, and employer costs for employee benefits.

Table 3. Employment Cost Index for wages and salaries only, private industry workers, United States and geographical regions, 2002-2007, not seasonally adjusted

Period	Index (December 2005=100)					3-month percent change					12-month percent change				
	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West	U.S.	Northeast	South	Midwest	West
2002															
Mar.	90.7	90.2	91.8	90.3	90.4	0.9	1.1	0.9	1.6	0.2	3.5	3.9	3.3	4.0	3.4
Jun.	91.6	91.0	92.7	91.0	91.5	1.0	0.9	1.0	0.8	1.2	3.6	3.6	3.3	3.9	3.6
Sep.	92.0	91.1	93.3	91.3	92.0	0.4	0.1	0.6	0.3	0.5	3.1	2.8	3.1	3.4	3.1
Dec.	92.2	91.5	93.2	91.7	92.4	0.2	0.4	-0.1	0.4	0.4	2.6	2.6	2.4	3.1	2.4
2003															
Mar.	93.3	92.4	93.5	94.2	93.0	1.2	1.0	0.3	2.7	0.6	2.9	2.4	1.9	4.3	2.9
Jun.	94.0	93.2	94.1	94.7	93.9	0.8	0.9	0.6	0.5	1.0	2.6	2.4	1.5	4.1	2.6
Sep.	94.8	94.1	94.9	95.2	95.1	0.9	1.0	0.9	0.5	1.3	3.0	3.3	1.7	4.3	3.4
Dec.	95.1	94.5	95.0	95.5	95.5	0.3	0.4	0.1	0.3	0.4	3.1	3.3	1.9	4.1	3.4
2004															
Mar.	95.7	95.3	95.8	95.6	96.4	0.6	0.8	0.8	0.1	0.9	2.6	3.1	2.5	1.5	3.7
Jun.	96.5	96.3	96.7	96.1	97.0	0.8	1.0	0.9	0.5	0.6	2.7	3.3	2.8	1.5	3.3
Sep.	97.3	97.1	97.5	96.9	97.7	0.8	0.8	0.8	0.8	0.7	2.6	3.2	2.7	1.8	2.7
Dec.	97.6	97.2	98.0	97.1	98.0	0.3	0.1	0.5	0.2	0.3	2.6	2.9	3.2	1.7	2.6
2005															
Mar.	98.3	97.8	98.9	97.8	98.4	0.7	0.6	0.9	0.7	0.4	2.7	2.6	3.2	2.3	2.1
Jun.	98.9	98.6	99.3	98.2	99.3	0.6	0.8	0.4	0.4	0.9	2.5	2.4	2.7	2.2	2.4
Sep.	99.5	99.2	99.7	99.4	99.6	0.6	0.6	0.4	1.2	0.3	2.3	2.2	2.3	2.6	1.9
Dec.	100.0	100.0	100.0	100.0	100.0	0.5	0.8	0.3	0.6	0.4	2.5	2.9	2.0	3.0	2.0
2006															
Mar.	100.7	100.8	101.0	100.4	100.7	0.7	0.8	1.0	0.4	0.7	2.4	3.1	2.1	2.7	2.3
Jun.	101.7	101.7	101.6	101.4	102.1	1.0	0.9	0.6	1.0	1.4	2.8	3.1	2.3	3.3	2.8
Sep.	102.5	102.5	102.9	102.0	102.7	0.8	0.8	1.3	0.6	0.6	3.0	3.3	3.2	2.6	3.1
Dec.	103.2	103.1	103.6	102.6	103.2	0.7	0.6	0.7	0.6	0.5	3.2	3.1	3.6	2.6	3.2
2007															
Mar.	104.3	104.0	104.6	103.6	104.8	1.1	0.9	1.0	1.0	1.6	3.6	3.2	3.6	3.2	4.1